

Testimony
PSC Chair Greg Jergeson
In Opposition to
Senate Bill 408
February 19, 2009

SENATE HIGHWAYS AND TRANSPORTATION	
EXHIBIT NO.	4
DATE:	2/19/09
BILL NO.	SB 408

Chairman Bruggeman and member of the Committee:

The Commission voted unanimously to oppose SB 408, as written, because it unfairly alters the balance between new applicants for motor carrier authority and incumbent carriers, transferring even more advantages to those carriers possessing motor carrier authority. As written, the bill also would require private owners of limousines to place lettering on their vehicles and would likely require some existing certificated carriers to give up some of their currently-held authority. Some of the specific provisions of the bill which the PSC finds problematic are as follows:

- Section 3 would require any private owner of a stretch limousine to deface his/her automobile by displaying "NOT FOR HIRE" in at least 3-inch type of both side windows. I'm confident that private limousine owners would resist such an edict of the state.
- In addition, incumbents would no longer have to make a \$200 filing fee to protest an application (Section 14, subsection (4)) and could protest any application for Class B authority (Section 12, subsection (6)) regardless of whether the applicant was seeking authority that conflicted with that of the incumbent. [e.g., regardless of whether there was an overlap of territory between incumbent and what applicant was seeking; or, another example would be that the holder of a limousine authority could protest an application limited to a

request for taxicab service]. There should be an actual conflict between what the incumbent authority provides and what the applicant is seeking.

- The bill also exempts Class B passenger carriers from the requirement to file an annual report reflecting its financial position (Section 13, subsection (2)(b)), yet, on the other hand, requires the Commission to consider whether a new application would financially stress or jeopardize an existing carrier (Section 12, subsection (5)).
- The bill would also allow an incumbent carrier to protest an application without retaining an attorney (section 12, subsection (7)). That is fine if the incumbent is a sole proprietorship, but if it is a different legal entity, such a provision would likely conflict with Montana laws regarding the practicing of law without a license.
- Lastly, the law would require the Commission to reissue all passenger carrier authorities so they fit the newly-created categories in section 11, subsection (1)(b)----airport shuttle service, limousine service, taxicab service or trolley bus service. These newly-established categories, and the limitation on the number of passengers that could be transported may result in some incumbent carriers having to "give up" authority that they currently possess.